App. F. IX-4

Previous References

1936
(97)

97 File No. 204-36
Serial Nos. 1-2

Letter References.

97 22-30-1
97. 183-37 (1-5)
97. 237-37 (1-4)
97 Con No of 25/36
97 221-37 (1-2)

GENERAL AND REVENUE SECRETARIAT.

~~97 232-37 (1-8)~~

Serial Nos. two

p224-C

Part B for April 1937

SUBJECT.

Representation of Non Gazetted Staff re waiving of interest on HBA advances

Rq To The Comptroller
The other Heads of Depts
Inspectorate Organ-
WD 0418—GPB—22,500—29-8-36
Inspg Comm of RBs—
No 7E 5427-76 dated 12.2.37

MR

Representation of non-gazetted Staff
re: waiving of interest on H-B. Advances

General & Revenue Secretariat. | File No. 204 of 1936. | [App. F. III–2

Serial No.

1) This is a representation from the non-gazetted staff of the Secretariat for grant of certain concessions in respect of the advances given to Govt. servants for building or purchasing houses.

2) A perusal of the previous papers on the subject indicates that officials drawing a pay of less than Rs.250/- per month were shown more liberal concessions in this respect in the past than those allowed at present. The rules issued in July 1928 permitted the grant to them of advances up to two years' pay (in Bangalore and Mysore Cities and the New Yedatore Town), subject to a maximum of Rs.5000/-, no interest being charged on advances up to one year's pay and interest at only 4 per cent. being charged on the amount in excess of one year's pay. When the rules were revised in August 1930, the rate of interest charged on the excess over one year's pay was raised to 5 per cent, the other concessions being left unaffected, i.e. the first year's advance continued to be interest-free.

Flag "F"

'Z'

3) In April 1934, interest at 4 per cent. was ordered to be charged in all cases where advances were till then free of interest, and this condition continues in force to this day.

'G'

4) The officials pray that as conditions of the money market in respect of interest rates are favourable for sometime past, the charging of interest on these advances may be discontinued and interest-free advances allowed up to two years' pay. It is also stated that the Madras Govt. who were formerly charging interest at 5 per cent. have reduced the rate to 3½ per cent. from Octr. 1934.

NOTE–Contn. Sheet.

FINANCE GENL. & R. DEPT. 2

Serial No.

5) In the light of existing conditions of the money market, I feel that the request of these non-gazetted officials deserves some consideration. While it is out of question to grant advances up to two years' pay entirely free of interest, I think that the following concessions that they enjoyed in 1928 may be restored to them:

(i) Grant of advances up to two years' pay for house-building or house-purchase subject to a total maximum of Rs.5,000/-

(ii) Amount up to one year's pay to be free of interest.

(iii) Amount in excess of one year's pay to carry interest at 4 per cent.

6)

Mr Raja

FINANCIAL SECRETARY 2 OCT. 1936 No.

Fwd Sd with compts

11/5 2/10

7) Such like references -

8) In Kind reference is invited to G.O. no Fe 794-88-3 (R.J. 237-27-2 & 28-7-28 doing away with the distinction between H.B. and H.P. advances and advances up to 2 years' pay given to officers drawing a pay of less than Rs 250/- for building or purchasing houses, subject to a maximum of Rs 5000/- the first years advance being interest-free and the excess over one years pay carrying interest at 4 p.c. per annum authorising the payment

7

9) In G.O. no Fe 849-908/R.J. 22-30-1 & 7.8.30. advance of two years' pay was restricted only for building houses and

Has I

NOTE—Contn. Sheet.

for purchasing houses only one year's pay was granted on the ground that the special encouragement afforded to those who wish to build houses should not be extended to cases of purchasing the existing houses and with a view to place a limit on the amount advanced annually. The interest on the amount advanced in excess of one year's pay was raised from 4 to 5 per cent

(c) Govt. G.O. no. 6383-442 G.F. 346-33-1 & 2/3 20 April 34 interest at 4 per cent. has been charged on advances which were hitherto free of interest. Kind reference is invited to Secy's note dated 29-3-36 in his file and the Dewan's orders thereon.

11) The officials pray that the charging of interest on these advances may be done away with and interest free advances allowed up to two years' pay.

12) The concessions recommended by the Chief Secy in para 5 of the note are for orders.

7/10

13) The above note explains the rules now in force in regard to the grant of house building or house purchase advances.

14) The Chief Secy's present recommendations

Flag C

Serial No.

recommendations are 3.

15) With reference to (1) viz grant of advances upto 2 years pay for h. b or h. p., it may be stated that the period of advance was raised to 2 years mainly with a view to encourage construction of buildings in extensions (Vide notes in G. 7 file 2.87-27 placed below — containing flag 7).

16) But in Madras, whether it is for purchase or building, advance of only one year's pay is granted.

17) The recommendation is therefore for orders.

18) Re (2) viz amount upto 1 year's pay to be free of interest as it was foreviously, it may be said that the recommendation is not financially acceptable, as there is no meaning in granting advances free, while Govt. themselves are borrowing & paying interest ranging from 3½% to 7 per cent. It is from out of the borrowed money alone that advances are being made, as there are no surpluses or other funds available with us.

19) This is for orders.

20) Re (3) levying interest at 4% on the excess of only one year's pay as against 5% now being levied, one of the grounds urged is that in Madras the interest on house building advances is reduced to 3½%. It may be in this

NOTE—Contn. Sheet.

connection be noted that in British India, the levy of interest on advances & loans is based on & fixed with reference to, the interest that is payable on the loans they raise every year. In Mysore, the situation is different & loans are raised as and when there is an absolute need.

21) The interest that is now levied is no doubt high when compared with the money now available at cheap rates of interest & some reduction seems called for. Whether it may not be made 4 percent on the entire advance instead of different rates for the 1st year & 2nd year, 4 & 6 percent respectively, is for orders.

22 Incidentially it has to be noted that in the case of officers on a pay of Rs 250 & above, advances of only 18 months' pay are being given & the interest levied is 6 per cent. This rate has also to be reduced in case the recommendation is conceded partly or entirely.

23) H: Secy) 8/10/36

24) The concessions recommended by the Chief Secretary in respect of House Building Advances to officers whose salary is less than Rs 250/- are:-

(1) Grant of advances up to 2 years' pay for house purchase advance also, instead of one year's advance.

(2) Advances up to one year's pay to be free of interest, instead of at 4% as at present.

Serial No.

(3) Advance in excess of one year's pay to carry interest at 4% instead of at 5%.

25) The maximum advance allowed in British India either for the purchase or construction of houses is only <u>one year's pay</u> and the grant of advance up to two years' pay for the construction of houses in the extensions is itself a concession, and it is not possible or desirable to increase the present limit of advance for the purchase of houses.

26) It is also not possible to sanction advances <u>free of interest</u> since these advances are met from borrowed funds on which Government are paying interest at 4% to 6½%. It is not known how long the present cheap money conditions will continue and it is therefore not desirable to agree to any reduction of interest as a permanent measure. If Government wish to show any concession, it should be only as a temporary measure and Government should have the discretion to increase the rates at any time.

27) The present rates of interest are:-

<u>Officers whose salary is less than Rs 250/-</u>

Advance up to one year's pay.	4%
Excess over one year's advance (second year's advance).	5%

<u>Officers whose salary is not less than Rs 250/-</u>

Entire advance.	6%

In the case of officers whose salary is less than Rs 250/-, the present rate of interest works up

NOTE—Contn. Sheet.

1218/32

File No. [illegible] of 193 :

General and Revenue Secretariat

to an average of 4½%, and if this is considered high, I would suggest that it may be reduced by half per cent, i.e., the rate of interest for both the first and second year's advances may be fixed at 4%. This is the minimum rate of interest and further reduction is not desirable.

With regard to officers whose salary is Rs 250/- or more, a similar concession may be shown and interest at 5½% may be charged instead of at 6% as at present.

28) The reduced rates of interest will apply to advances which may hereafter be sanctioned, for a temporary period, say, till the end of the current year in the first instance, Government reserving the power to raise the rates of interest earlier, if necessary.

OFFICE OF THE SECOND MEMBER OF COUNCIL,
25 OCT 1936
NO. 2992

29) 2nd/17.x./34 (Mr. Dewan)
(Trust Ch Secy).

23/10

30) Reduction of ½% in the rate of interest and Sir Trust as a temporary measure is no relief at all. The fact suggestion that the money advanced is from borrowed funds should not weigh seriously against the grant of some concessions. The grant of advances for the purposes in question is a concession which Govt. normally grant and provision therefor is made in the budget using the ordinary income of the State. It may be that when there was a deficit in the budget, borrowed funds had to be drawn upon for these loans and advances.

1218/7E

Serial No. 31

In the case of officers whose Salary is less than Rs 250/- p.m. more liberal Concessions than those conceded by the Finl Secy would be justified.

MS
25/10

32 I generally agree with the Finl Secy. The matter may however be considered at a meeting of the Council, if the Revenue officers. It would be useful to have a statement showing the average number of advances given for house building purposes during the past three years & the financial result of reducing the rate of interest to the Govt, on the one hand, and to a borrower whose Salary is about Rs 100, on the other — under each of these proposals.

MLL
25/10/36.

33

JPS
27/10

M
PM

Prachuabjati
Mr. U. Rajan
14
28/10

34) Draft D.O to the Comptroller is submitted for approval

M
30-10-36 PM

35) Issue
IW
30/10

NA C. 29/7E Dy. 31-10-36.

To the Comptroller

Draft D.O. herewith is put up for approval

Please wait for another week or 10 days.

Particulars called for have to be obtained from the Fe. Branches of the Edn., Ry & Electrical Depts & furnished. It must take some time to get the same

IW
7/11

NOTE—Contn. Sheet.

Ker
6/11

Representation of non-gazetted staff re: waiving of interest on H.B. advances.

1624/R

C.95

General and Revenue Secretariat

File No. of 193 .

D.O. No H 320/Loans. dt. 10.11.36 from the Comptroller to Govt forwarding a statement showing the H.B. and H.P. advances made to the several classes of Officers during the last 3 years. etc

Subs with reference to Members' orders - para 32 supra

Taking the total amount of advances to the Officials on a pay of Rs 100/- and below - at about Rs 1 Lakh a year the interest recoverable in accordance with the Chief Secy's suggestion will be Rs 2000/- per annum while according to the Financial Secy's suggestion it will be Rs 4000/- per annum The amount will go on increasing year after year as and when new advances are given -

The statement furnished by the Comptroller is flagged 'I'.

This file may now be subd to the 2nd member with reference to his minute dt 26.10.36 & after return will be sent to C.S. for further action.

Fl Secy) 14/11

2nd Mr) 15/11

Chief Secy) Kind refer is invited to the minute of 2nd member (para 32) 18/11/36.

Dewan)

18/11

19/11

DEWAN'S OFFICE
18 NOV. 1936
No. 1466

OFFICE OF THE SECOND MEMBER OF COUNCIL
16 NOV. 1936
No. 3425

Serial No.

Representation dt 25th Nov 36 from the Hon'ble Non gazetted Officers Association requesting on behalf of the non-gazetted officers for the grant of H.B. and H.P. advances free of interest with similar relief upon the outstanding balances due by those who have taken loan already Submd. The question of remitting interest in these advances is separately under consideration, as the file is before the Council. The present representation may be referred to the Council for their consideration

Please find out if the question of remitting interest in these advances is separately under consideration as the file is before the Council. The present representation may be referred to the Council for their consideration

WC 4/12

(GB. WC)

The Council file (for consideration at a meeting) is linked hereto.

For orders if this representation may be merely placed in the Council file, or whether the papers need be sent to Fin Secrett. for any further remarks on the representation

Submd.

(GPR 3/12/36)

For favour of opinion.

MS 4/12

(Fin Sec't with compts)

All the points urged in the present petition has been referred to in a similar petition submitted by the

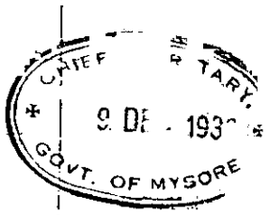
WD 0417--GPB—80,000—8-9-36

Serial No.

officials to the Chief Secretary on 16th September 1936 and my views thereon are contained in my note dated 23rd October 1936 (vide linked file which has been required to be considered at a meeting of the Council). There are no new points in their petition and therefore no new observations by me.

9/12

C B.
10/12



For Disposal at a meeting. No. C. 979

1936-1937

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

Subject

(clause.....of the schedule)

Question of reducing the rates of interest levied on House Building Advances.

Circulated to the Members of Council.

By Order,

19th November 1936. *Chief Secretary to Government.*

First Member of Council.

Second Member of Council. (Seen)

C·97

Extract from the Proceedings of the.....955th.....*Meeting of the Council of His Highness the Maharaja, held at Bangalore on the*.....30th January 1937.....*19*

14. Subject. -

Question of reducing the rates of interest on House-building advances.

OPINION OF THE COUNCIL.

The following rates of interest may be adopted:--

Salary of Rs.250 and below -
1st year's advance, } Three and a half per cent per annum
2nd year's advance, }

Salary above Rs.250/-
The whole advance .. Four and a half per cent. ,,

These rates will not have retrospective effect and will not apply to existing loans.

(Signed) MIRZA M. ISMAIL,

DEWAN OF MYSO

Fin. Secy. with compts

"EXTRACT"

Chief Secretary to Government.

WD 1471—GPB—2,000—1-3-21

Re presentation from Gazetted Officers re: waiving of interest on H.D. advances 1624/1940

General and Revenue Secretariat | File No. | of 193 | [App. F. III—2

Serial No.

Sent with a D.S.N.

W/2/2 ... H Secy) ... W/2/2

... Revenue) W/2/3 W/3/2

SECRETARIAT OFFICE
FEB. 1937
No. 3039

NOTE—Contn. Sheet.

WD 01955—GPB—22,500—12-6-34

Submitted to His Highness.

These papers relate to the question of reduction of the rates of interest on advances granted to Government servants for the construction or purchase of houses.

Under the existing rules advances to Government servants whose salary is less than Rs.250/- for the purchase of houses are limited to one year's pay, while, for house building, advances up to two years' pay are permissible subject to the following conditions:-

(i) Advance up to one year's pay will carry interest at 4 per cent per annum.

(ii) The excess over one year's pay will carry interest at 5 per cent per annum.

(iii) The maximum amount admissible will be limited to Rs.5,000/-.

Advances up to 18 months' pay are allowed in the case of officers drawing a pay of Rs.250/- and above for constructing houses, while for the purchase of houses the advances are limited to one year's pay subject to the following conditions:-

(i) The entire advance will carry a uniform rate of interest at 6 per cent per annum.

(ii) The maximum amount admissible is limited to Rs.10,000/-.

A representation has since been received from the non-Gazetted Officers praying for a reduction in the rates of interest, in view of the low rates of interest prevailing in the money market and also of the reduction of interest on such advances by the Madras Government from 5 per cent to 3½ per cent.

The question was discussed in Council and it was resolved that the following rates of interest may be adopted:-

"Salary of Rs.250/- and below -

1st year's advance,	}	Three and a half per cent per annum.
2nd year's advance	}	

Salary above Rs.250/-

The whole advance	Four and a half per cent per annum.

These rates will not have retrospective effect and will not apply to existing loans".

I solicit the gracious sanction of His Highness to the above-resolution

Mirza M. Ismail

DEWAN.

Bangalore,

3rd February 1937.

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Reduction in the rates of interest on House Building Advances.

C. Sec
MG
1-2-37

MK
8/2/37

284

Order.

~~KRW~~
4/2/37

C.97 (XII:331)

General and Revenue Secretariat.

SUBJECT :—

Reduction in the rates of interest on House Building Advances.

(*)

31. All urgent or confidential files returned with His Highness' orders may in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circulated to the Members of Council at Headquarters and then sent to the Secretariat concerned for the issue of orders.

Circulated to Members of Council for perusal of His Highness' orders before/after issue of orders.* (*Vide* Rules 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure.)

Chief Secretary to Government.

Through the Secretary to Government,

.....Financial. Department. 8/2/37

FIRST MEMBER OF COUNCIL.

8/2

5689
8.2.37

SECOND MEMBER OF COUNCIL. 9/2/37

Fin. Secy with Compliments

9/2

** Please put a draft order

NOTE.—Contn. sheet.

* Please exercise discretion before appeal

WD 1170—G.P.B.—1,000—24-12-36

Reduction of the rate of interest on H.B. or H.P. advances

General and Revenue Secretariat. | File No. 1601/2 of 193 . | [App. F. III-2

Draft submitted for approval.

The wordings 'on pay less than Rs 250' & 'on pay of Rs 250 & above' are adopted as against 'Salary of Rs 250 & below' & 'Salary above Rs 250' in the Council Resolution so that they may be in consonance with the present orders.

H Secy)

I have inserted a condition that the reduction is temporary and Govt have the discretion to raise the rate when they consider it necessary to do so. This is to provide for future contingencies & is mentioned in para 2 & above. It was however not specifically included in the Council Resolution

Dewan)

10/2

11-2-37)

12/2

Issue

No H5427-76 / Ft 204-36-2

To the Comptroller,
All Heads of Depts
All Commissioners etc

Sanctions to reduced rate of interest in respect of H.B. & H.P. advances

NOTE—Contn. Sheet.

with 4/4 Finance slip.

'S OFFICE
3232

Appendix F G—1]

SUBJECT.....

.....

.....

Diary No. of letter replied to...1218

General and Revenue Secretariat

( )

the *193*

Date of issue...24/10/36

Signed by ...M.K. Venkatarao

List of enclosures.....

Copied by .....

Examined by.....

Section

File No.

Serial No.

No. C. 29/36.

To

Dear Sir,

I am desired to request you to be so good as to arrange for the submission to Govt, as early as possible, of a statement showing the number and total amount of ~~House~~ advances given for House building and purchase, during the last three years, classified under the following heads:—

(1) officers whose salary is Rs 100 and below

(2) officers whose salary exceeds Rs 100 and is less than Rs 250

(3) officers whose salary is Rs 250 and more.

Yours sincerely

M
30/10 For Fin Secy

30-10-36
M

WD 03601—GPB—30,000—23-9-35

To

A.N. Raghavachar, Esq, M.A
Comptroller
(camp) Maharanis
College, Mysore.

No. M.C 29/92.

30th October 1936.

(Camp) 31st Mysore

Dear Sir,

I am desired to request you to be so good as to arrange for the submission to Government, as early as possible, of a statement showing the number and total amount of advances given for House building and purchase, during the last three years, classified under the following heads:-

(1) Officers whose salary is Rs. 100 and below.

(2) Officers whose salary exceeds Rs.100 and is less than Rs.250.

(3) Officers whose salary is Rs. 250 and more.

Yours sincerely,

K Venkatarao

For Financial Secretary to Government.

2

A.N.Raghavachar, Esq., M.A.,
Comptroller to Government,
(Camp) Maharani's College, Mysore.

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT OF MYSORE,

FINANCIAL 1634 12 NOV 1936 CENL & REV. SECT.

Bangalore, dated. 10th Nov. 1936.

D.O. No. 390/Loans

Dear Sir,

As desired in your D.O. letter C.29 F1. dated 31st October 1936, I forward herewith a statement showing the House Building and Purchase Advances made to the several Classes of officers mentioned thereon.

The Auditor, Mysore Railways, has furnished the figures pertaining to his Department only for the years 1933-34 and 1934-35 but not for 1935-36. He has been requested to communicate to you direct the figures if any, relating to that year also.

Yours sincerely,

Rajaseva Nipuna
S. Shamanna Esq., B.A.,
Financial Secretary to the Government of Mysore,
Bangalore.

Statement of House Building Advances given during the last 3 years - Classified under 3 heads as required in Financial Secretary's letter No.C,29/Fl. dated 31-10-1936.

Sl. No.	Particulars.	1933-34 No.	1933-34 Amount	1934-35 No.	1934-35 Amount	1935-36. No.	1935-36. Amount.
1.	Officers on a pay of and below Rs.100/-						
	Ledger of Comptroller's Office ..	41	36,446	91	88,710	55	51,696
	" Financial Branch (Education) ..	24	19,187	24	18,480	35	29,522
	" " (Electrical) ..	2	3,480	5	8,400	5	8,340
	" Audit Office Railways)	11	14,440	4	3,768	-	3268
	Total ..	78.	73,553	124.	1,19,358	95.	89,558
2.	Officers on a pay between Rs.100/- and Rs.250/-						Rs 1,05,46
	Ledger of Comptroller's Office. ..	13	30,240	16	57,860	5	21810
	" Financial Branch (Education.) ..	5	14,640	9	27,840	4	10,200
	" " (Electrical) ..	2	7,160	1	5,040	3	6,960
	" Audit Office (Railways)	-	-	1	2,520	-	2520
	Total ..	20.	52,040	27.	93,260	12.	38,970
3.	Officers on a pay of and above Rs.250/-						41490
	Ledger of Comptroller's Office. ..	3	14,750	5	29,925	5	23,880
	" Financial Branch (Education) ..	2	7,200	-	-	-	-
	" Financial Branch Electrical ..	-	-	-	-	1	3,150
	" Auditor (Railways). ..	-	-	-	---	-	-
	Total ..	5.	21,950	5.	29,925	6.	27,030

For Comptroller.

KR)

Statement showing the number and total amount of Advances given for House Building and Purchase, to the several classes of officiers during the last 3 years, as required in Financial Secretary's D.O.letter No.C.29/Fl. dated 31-10-1936.

Sl. No.	Particulars	1933-34		1934-35		1935-36		Remarks
		No.	Amount	No.	Amount	No.	Amount	
1.	Officers on a pay of and below Rs 100	78.	73,553	124.	1,19358	95.	89,558	This statement shows the consolidated figures obtained from the Books of this office as well as from those of the Finl: Branches of the Education and Electrical Departments and of the Audit office, Mysore Railways as detailed in the statement attached hereto.
2.	Officers on a pay between Rs 100 and Rs 250/-	20.	52,040	27.	93260	12	38,870	
3.	Officers on pay of and above Rs 250	5.	21,950	5.	29,925	6.	27,030	

11.11.36

For Comptroller

11/11/36

CV

C.F 204-36-1

THE MYSORE NON-GAZETTED OFFICERS' ASSOCIATION
CUBBON PARK, BANGALORE.

FINANCE DEPT. 28 NOV No. 1

No. 4/M.G.O. Dated 25th ~~October~~ November 1936.

Financial Secretary to Govt
with Compliments
FROM
M.G.O.

OFFICE OF THE DEWAN OF MYSORE
Date of Receipt 29.11.36
Petn. Regr. No. 547

THE HONORARY SECRETARY,
Mysore Non-Gazetted Officers' Association.
Bangalore.

Memorandum
27/11/36

To
PRIVATE SECRETARY TO THE DEWAN OF MYSORE
Amin-ul-Mulk
Sir Mirza M. Ismail, K.C.I.E., O.B.E.,
Dewan of Mysore, Bangalore.

FINANCIAL BR. 1801 28 NOV. 1936 GEN'L

Most Respected Sir,

On behalf of the Mysore Non-Gazetted Officers' Association, I am directed to represent the following for your kind perusal and sympathetic orders very early:--

It has all along been the policy of our benign Government to afford all possible facilities to the non-Gazetted staff to provide themselves with suitable residences of their own.

As per Govt. Order No.Fl.794-853/G.F. dated 28th July 1928, advances up to two years' pay were being given to officers drawing a pay of less than Rs.250 residing in the Cities of Bangalore, Mysore or in Yedatore and wishing to build or purchase houses in the extensions of the Cities or in the New Town of Yedatore respectively, subject to ~~the~~ maximum amount admissible being limited to Rs.5,000/- the excess over one year's pay ~~only~~ carrying interest at 4 per cent. per annum, and the entire amount being payable by monthly deduction of one-fourth of pay towards principal and interest within eight years. The first year's pay was being given free of interest.

In August 1930, the rate of 4% interest levied upon the second year's pay advanced was raised to 5%, and again in 1934 April, it was ordered that interest at 4% per annum be charged in all cases of such advances thereafter. The rate of interest fixing 4% and 5% on the first year's pay and second year's pay, respectively, ha~~s~~ worked as a great hardship on the poor non-gazetted officers, out of all proportion to any small increase

of revenue to Government.

With the considerable lowering in the rates of interest paid in the money market since the year 1933, which has enabled the Government to borrow money at much cheaper rates and to reduce the rates of interest paid on Savings Bank Deposits, Insurance and Provident Funds, etc., they were expecting some relief from our benign Government in respect of the interest charged on the House Building or Purchase advances. on the other hand, even the concession of getting advances up to one year's pay free of interest, which was being all along allowed (even while Government had to borrow money at high rates of interest - 6 to 7%), has been taken away. The value of sites have gone up so high as Rs.5 to 6 per sq.yard in good locality.

The Madras Government, which was charging interest at 5% formerly on such advances, have reduced the rate of interest to 3½ % from October 1934.

The non-Gazetted Officers therefore humbly beg that House Building or House Purchase advances up to two years' pay may very kindly be ordered to be granted to them free of interest, with similar relief upon the outstanding balances due by those who have taken loans already. While the loss to Government on this account may not be appreciable, it will certainly be of considerable help to them all, especially in view of the present high rate to be paid for sites to be purchased, or already purchased in extensions.

For this act of kindness they will all remain ever grateful, and pray for your long life and prosperity.

I beg to remain,
Most Respected Sir,
Your most obedient servant,

S Ramapati

Hon: Secretary,
Non-Gazetted Officers' Association.

Representation in brief:--

Prior to 1st Aug. 1930, H. B. Advance of one year's pay was free.

From Aug. 1930, it was ordered to grant two years' pay, with 1st year's free of interest, and on second year's 5% interest is levied.

From April 1934, even on first year's advance of pay, an interest of 4% is charged.

Thus it now stands at 4% interest on 1st year's pay advanced.

and at 5% interest on 2nd year's ..

- - - -

Prayer is now to sanction two years' pay as advance free of interest for either house building or purchase, with the same relief on the outstanding advances already taken by several of the non-gazetted officers.

Submitted through THE CHIEF SECRETARY TO GOVERNMENT.

T o

Rajamantrapravina
S. P. Rajagopalachar, Esqr., B.A., B.L.,
Dewan of Mysore (In charge),
B a n g a l o r e.

Most Respected Sir,

We, the non-Gazetted staff of the Secretariat, humbly beg to represent the following for your kind perusal and favourable orders:--

It has all along been the policy of our benign Government to afford all possible facilities to the non-Gazetted staff to provide themselves with suitable residences of their own. Till April 1934, advances up to one year's pay were being allowed by Government free of interest for the purchase or construction of houses. In April 1934, however, it was ordered that interest at 4% per annum be charged in all cases of such advances thereafter. The rate of interest charged on the second year's advance of pay has been fixed at 5%. These orders fixing 4% and 5% interest on the first year's pay and second year's pay, respectively, have worked as a great hardship on the poor non-gazetted staff, out of all proportion to any small increase of revenue to Government.

With the considerable lowering in the rates of interest paid in the money market since the year 1933, which has enabled the Government to borrow money at much cheaper rates and to reduce the rates of interest paid on Savings Bank Deposits, Insurance and Provident Funds, etc., we were expecting some relief from our benign Government in respect

of the interest charged on the House Building advances. On the other hand, even the concession of getting advances up to one year's pay free of interest, which was being all along allowed (even while Government had to borrow money at high rates of interest - 6 to 7%), has been taken away.

The Madras Government, which was charging interest at 5% formerly on such advances, have reduced the rate of interest to 3½% from October 1934.

We therefore humbly beg that House Building or purchasing advances up to two years' pay may kindly be ordered to be granted to us free of interest. While the loss to Government on this account may not be appreciable, it will be certainly of considerable help to us. The reduction of interest prayed for now may also be made applicable in respect of the advances outstanding at present.

For this act of kindness we shall all remain ever grateful, and pray for your long life and prosperity.

Bangalore,
14th Septr. 1936.

We beg to remain,
Most Respected Sir,
Your most obedient servants,

M. R. Narayanaswamy Iyer,
B. Venkatanarayana Rao.
Subba Rao,
T. Ananda Reddy
J. Akk appaya
Athobal Rao
B. Gundappa
Chowdiah
G. Venkatakrishnaiya
K. Rama Sastri
T. Sivadatta
K. R. Swamy
K. Krishnappa

3.

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

Read :—

Govt. Order No. Fl.343-303/G.F.32-33-1 dated 1st August 1933 sanctioning revised rules regulating the grant of advances for the building or purchase of houses.

2. Govt. Order No. Fl.6333-442/G.F.346-33-1 dated 8/3rd April 1934 directing that interest at 4 per cent per annum be charged in future for house building or house purchase advances which were previously free of interest.

* * * *

Order No. Fl 5427-76/G.F. 204-36-2

Dated, Bangalore, the 12th February 1937.

Government direct that the rates of interest to be charged in respect of future advances for building or purchase of houses be revised as under as a temporary measure and subject to enhancement at the discretion of Government, when considered necessary:-

	Present rate.	Revised rate now sanctioned:
(1) In the case of officers drawing a pay of less than Rs.250/- per mensem.	Advance up to one year's pay 4 % Excess over one year's pay 5 %.	Three and a half per cent. per annum.
(2) In the case of officers drawing a pay of Rs.250/- and above.	Entire advance 6 %	Four and a half per cent. per annum.

2. These revised rates will not have retrospective effect and will not apply to existing advances.

K Venkata Rao
for Financial Secretary to Government.

The Comptroller to Government.
" Other Heads of Departments.
" Secretaries to Government.
" Deputy Commissioners of Districts.

G. R. S. App. F VI—G 2]

SUBJECT .....

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Diary. No of letter replied to .....

Section G. D.

File No. 206-26

Serial No. 9

General and Revenue Secretariat

( )

the *193*

Proceedings of the Government of His Highness the Maharaja of Mysore.

Date of issue 12/2/26 1937.

Signed by M. V. K.

Read— G.O. No H 849-908/G.D. 22-30 Or 1-8-1930 Sanctioning revised rules regulating the grant of advances for the building or purchase of houses

2. G.O. no H 6383-662/G.D. 346-33 Or 2/3rd April 36 directing that interest at 4 per cent per annum be charged in future for house-building or purchase advances which were previously free of interest

Order No H 5627-76 G 12-2-37 Govt direct that the following rate of interest be charged in respect of future advances sanctioned from the 1st Feb 37

May this be—

(i) printed ?

(ii) treated as a standing order ?

(iii) published in the Gazette, English Part ?

(iv) translated ?

(v) placed at the disposal of the press ?

(vi) published in the Gazette, Kannada Part ?

- as a temporary measure & Subject to enhancement ~~thereof~~ at the discretion of Govt, when it is considered necessary

for building or purchase of houses. be reduced as under :-

		Present rate	Reduced rate now sanctioned
(1) In the case of Officers drawing ~~pay~~ salary less than ~~Rs~~ Rs 250 ~~p.m.~~	Advance up to one year's pay	4 /.	3½ /.
	The excess over one year's pay	5 /.	~~3½~~ 2½ /.
(2) In the case of Officers drawing ~~salary above~~ a pay of Rs ~~a pay of Rs~~ 250/- ~~and above~~ & above.	The entire advance	6 /.	4½ /.

2. These revised Rates will not have retrospective effect and will not apply to Existing ~~loans~~ advances.

HW/10/2 10/2
Financial Secy
Govt

To

The Comptroller & Govt

" Other Heads of Depts
" Secretaries to Govt
" Dy Commrs & Districts

~~Comptroller, Key Govt Gazette~~

~~Govt Press~~ Table

List of Enclosure

Copied by

Examined by

WD 0185—GPB—15,000—13-8-31